In the Union Budget 2007-08, Government has reduced the excise duty from 8% to 6% on petrol and diesel with effect from 1.3.2007. In view of the reduction in retail prices of petrol and diesel by Rs. *2/-* per litre and Rs. 1/- per litre respectively already effected from 16.2.2007, Government has advised oil marketing companies to retain the reduction of excise duty.

Contribution by petroleum sector to the exchequer

826. SHRI M.V. MYSURA REDDY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that due to taxes and duties on petroleum products, there has been a lot of contribution to the Central and State Governments exchequers;

(b) if so, the details of contribution by petroleum sector (duties and taxes) to Central and State Governments exchequers during the years 2003-04,2004-05,2005-06 and 2006-07 (provisional); and

(c) if so, the steps taken by Government to protect the interest of consumers of petroleum products?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The details of contribution by petroleum sector to Central and State Governments Exchequers during 2003-04,2004-05.2005-06 and 2006-07 (Provisional) are given in the Statement (See below).

(c) Keeping in mind the interest of common man, the Government has not increased the prices of petroleum products in line with the international oil prices. Due to this, Oil Marketing Companies (OMCs) have reported under recoveries in marketing of sensitive petroleum products to the tune of Rs. 41,200 crore during April-December, 2006. However, Government along with oil companies have decided to absorb 87.5% of this burden and only 12.5% is to be borne by consumers.

On the basis of decline in international prices, the prices of petrol and diesel were reduced on 30.11.2006. It was again reduced on 16.2.2007. The reduction was Rs. *2/-* per litre and Rs. 1/- per litre for petrol and diesel respectively on each occasion (Delhi Price). It may be noted that the prices of domestic LPG were last revised on 5/11/04. However, the basic

price of PDS Kerosene has not been changed since 1/4/2002 despite increase in international prices of both the products. The international oil prices continue to fluctuate. The Government is keeping a close watch on the volatile prices.

Statement

The contribution of petroleum sector to Central and State Government Exchequer

Estimated Contribution to Exchequer	2003-04	2004-05	2005-06	(Rs./Crs.) 2006-07 Provisional
1	2	3	4	5
Contribution to Central Exchequer				
Customs Duty	9552	11697	9157	4655
Cess	4766	4891	4884	N.A.*
Excise Duty	35364	38150	47180	27544"
Royalty	1620	2181	2306	N.A.
Corporate Tax	10038	11180	10896	N.A.
Dividend	6320	7641	7229	N.A.
Tax on Dividend	1110	1513	1315	N.A.
Others (includes service tax)	425	439	347	N.A.
TOTAL	69195	77692	83314	32199
Contribution of State Exchequer				
Sales tax	32080	38935	46667	N.A.
Royalties	1643	2251	3199	N.A.
Dividend to State Govt.	18	21	19	N.A.
Octroi, Duties (incl. Electricity duty)	1032	1313	2211	N.A.

1	2	3	4	5
Others	408	734	157	**N.A.**
Sub-Total	35180	43254	52253	N.A.
Total Contribution to Exchequer	104375	120946	135567	

Notes:

Data Given Above is As Provided by Oil Companies.

Following Oil Companies are Covered:

ONGC, OIL INDIA, IOC, HPC, BPC, IBP, CPCL, KRL, BRPL, MRPL, GAIL, NRL, EIL. and RIL (Petroleum Sector)

BPC data includes KRL for the year 2005-06 consequent upon merger.

* Not Available.

** Including Cess on indigenous crude oil.

Requirement of petroleum products after 20-30 years

827. SHRI TARIQ ANWAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that there is a major increase in the requirement of petroleum products;

(b) if so, the requirement after 20-30 years;

(c) whether Government have formulated any plan to cope with this problem;

(d) whether Government are looking for some other alternatives; and

(e) if so, the details therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHAJ. PATEL): (a) and (b) As per the India Hydrocarbons Vision document estimates, the demand for oil is likely to increase to 364 million tonnes per annum by the year 2024-25.

(c) India is self sufficient in production of all petroleum products except LPG. with the delicensing of the refining sector since June 1998, more